

The Michigan Update

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Medicaid Managed Care Enrollment Activity

As of July 1, 2012, there were **1,237,774 Medicaid beneficiaries enrolled** in 14 Medicaid Health Plans (HMOs), an **increase of 7,996** since June 1, 2012. The number of Medicaid beneficiaries eligible for managed care enrollment also increased in July - there were 1,303,193 eligible beneficiaries, up from 1,290,085 in June. The number of Medicaid beneficiaries dually eligible for Medicare ("duals") enrolled in Medicaid HMOs to receive their Medicaid benefits also continues to grow - there were **24,604 duals enrolled in July, up from 23,232 in June**, an increase of 1,372.

As the enrollment reports ([.pdf](#)) ([.xls](#)) for July reflect, every county in the state is served by at least one Medicaid Health Plan. Auto-assignment of beneficiaries into Medicaid Health Plans is now in place in every county of the state. Fee-for-service care is an option in only one county - Barry - which is also the only remaining "Preferred Option" county. Beneficiaries in Barry County who do not specifically choose the fee-for-service option are auto-assigned to a contracted health plan but may return to fee-for-service at any time. Beneficiaries in all 15 counties in the Upper Peninsula are auto-assigned through federal "Rural Exception" authority to the one health plan serving the counties.

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

Duals in Medicaid HMOs

The number of Medicaid beneficiaries dually eligible for Medicare (duals) who were enrolled in Medicaid HMOs through auto-assignment in July was 13,466; the number of duals enrolled on a voluntary basis was 11,138. All Medicaid HMOs have duals enrolled although the numbers vary dramatically across plans.

A Medicaid HMO member who gains Medicare coverage and remains

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in the HMO is categorized as auto-assigned or voluntarily enrolled based on the means through which the member was initially enrolled in the HMO. Duals enrolled in a Medicare Special Needs Plan (SNP) for their Medicare benefits but receiving Medicaid on a fee-for-service basis are auto-assigned to the related Medicaid HMO if applicable. Any dual is able to "opt out" of the HMO and receive Medicaid benefits on a fee-for-service basis.

As the table below reflects, Molina Healthcare of Michigan has the most dual enrollees receiving their Medicaid services from an HMO, about 34 percent of the total; UnitedHealthcare Community Plan has almost 24 percent of the total; Meridian Health Plan of Michigan has almost 14 percent of the total (but the most voluntary enrollees); and the other 11 plans share the remaining 28 percent.

July 2012 Medicaid Dual Eligible Enrollment			
Medicaid Health Plan	Voluntary Enrollees	Auto-Assigned Enrollees	Total Enrollees
Blue Cross Complete of MI	212	254	466
CareSource MI	281	441	722
CoventryCares of MI	326	75	401
HealthPlus Partners	561	128	689
McLaren Health Plan	869	126	995
Meridian Health Plan of MI	2,738	606	3,344
Midwest Health Plan	673	594	1,267
Molina Healthcare of MI	1,686	6,688	8,374
PHP Mid-MI Family Care	153	30	183
Priority Health Govt. Programs	630	577	1,207
Pro Care Health Plan	15	16	31
Total Health Care	456	135	591
UnitedHealthcare Comm. Plan	2,233	3,593	5,826
Upper Peninsula Health Plan	305	203	508
Total	11,138	13,466	24,604

Six of the 14 Medicaid HMOs in Michigan are also federally contracted as Medicare Advantage SNPs to provide *Medicare* benefits for duals: CareSource, Meridian, Midwest, Molina, UnitedHealthcare and Upper Peninsula Health Plan. As of July 1, 2012 these six SNPs have a combined enrollment of 13,537 duals for whom they provide Medicare services; 58.6 percent of the duals enrolled in SNPs for Medicare services are enrolled in the Molina plan, 29.5 percent are enrolled in the UnitedHealthcare plan and the remaining 12 percent are spread across the other four plans.

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

Michigan HMOs Doing Well Financially

Allan Baumgarten's 16th annual analysis of financial metrics and enrollment trends for Michigan's health insurance companies found in part that Michigan HMOs made money on all lines of business in 2011. His study - *Michigan Health Market 2012* - indicates that Medicaid enrollment is likely to surpass employer group membership in the next year; that growth in small group and individual plans for HMOs is expected; that enrollment in Medicare HMOs may pass 200,000 in Michigan this year and that employer premiums grew faster than medical expenses in 2011, leading to strong profitability. More information from Mr. Baumgarten's report is available at www.allanbaumgarten.com/index.cfm?fuseaction=dsp_report&state=mi.

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

MICHild

According to MAXIMUS, the DCH contractor for MICHild enrollment, there were **37,477 children enrolled** in the MICHild program as of July 1, 2012. This is a decrease of 402 since June 1, 2012.

As the enrollment report ([.pdf](#)) ([.xls](#)) for July shows, enrollment is dispersed between 10 plans, with more than 76 percent of the children enrolled with Blue Cross Blue Shield of Michigan (BCBSM). MICHild-enrolled children receive their dental care through contracted dental plans. Of the three available plans, more than 95 percent of the children are enrolled with either BCBSM (48.3 percent) or Delta Dental Plan (47.0 percent).

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

Adult Benefits Waiver (ABW)

As of the middle of July 2012, DCH reports there were **36,927 ABW beneficiaries enrolled** in the program, a **decrease of 1,167** since the middle of June. There are 28 County Health Plans (CHPs) serving ABW beneficiaries in 73 of Michigan's 83 counties. As of July 1, 2012, the combined ABW **enrollment in the 28 CHPs was 33,521**, a **decrease of 1,192** since June.

For more information, contact [Eileen Ellis](#), Managing Principal, at (517) 482-9236.

2012 Kids Count Data Book

The Annie E. Casey Foundation released the *2012 Kids Count Data Book* in mid-July. As in previous years, the data book for 2012 ranks all 50 states based on key indicators of child well being, this year using data from 2006 through 2010. The Michigan data indicates a few improvements and several declines and the state ranks 32nd nationwide in meeting children's needs; in 2010 and 2011 Michigan ranked 30th.

Michigan is among the ten worst states in the nation when it comes to the percentage of children living in high-poverty areas and for children in families where no parent has a full-time, year-round job. Almost 70 percent of Michigan's fourth graders scored "below proficient" on a national reading test in 2011, moving the state's ranking from 25th to 33rd in the country. The only area where Michigan showed significant improvement - ranking the state at 4th in the country - involved health insurance coverage. Only four percent of Michigan's children did not have access to health coverage compared to eight percent nationally. The report also notes that 40 percent of all insured children in Michigan are covered by Medicaid.

The Michigan League for Human Services (www.milhs.org), an advocacy group for low-income children and families produced the Kids Count in Michigan data with funding from the Annie E. Casey Foundation. The *Kids Count* data book (and a data center) is available on the Foundation's web site at: www.kidscount.org. National, state-specific and state comparison data are available.

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

HHS Announces 89 New Accountable Care Organizations

On July 9, 2012, US Secretary of Health and Human Services (HHS) Kathleen Sebelius announced that as of July 1, 89 new Accountable Care Organizations (ACOs) began serving 1.2 million people with Medicare in 40 states and Washington, DC. Three of the new ACOs are in Michigan:

- Accountable Healthcare Alliance PC, in East Lansing and comprised of 29 physicians in individual practices;
- Oakwood Accountable Care Organization LLC, in Dearborn and comprised of partnerships between hospitals and ACO professionals, totaling 1,546 physicians; and
- Southeast Michigan Accountable Care Inc, also in Dearborn and comprised of ACO group practices and networks of individual ACO practices with 333 physicians.

A copy of the press release and more information about ACOs and these awards are available at:

www.cms.gov/apps/media/fact_sheets.asp. Click on the

announcement date (July 9, 2012).

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

Drug Company Settlements

Two major drug companies agreed to healthcare fraud settlements that will send millions of dollars to states, including Michigan. GlaxoSmith-Kline LLC will pay \$3 billion and plead guilty to promoting selected drugs for unapproved uses and for failing to disclose important safety information; Michigan will receive \$23 million. McKesson Corporation will pay \$151 million to settle a lawsuit alleging the company inflated prices of hundreds of prescription drugs from 2001 to 2009. McKesson has indicated the claims are without merit but will settle to avoid the uncertain results of litigation.

For more information, contact [Esther Reagan](#), Senior Consultant, at (517) 482-9236.

Medicaid Policies

DCH has issued four final policies and twelve proposed policies that merit mention. One of the proposed policies was issued simultaneously with a final policy. The policies are available for review on [DCH's web site](#).

- **MSA 12-25** notifies **Out-of-State Hospices and Home Health Agencies** that they cannot deliver services in Michigan unless **licensed** in the state or licensed in a state that has a reciprocal licensing agreement with Michigan.
- **MSA 12-26** notifies holders of the **Bridges Eligibility Manual** that Non-Emergency Medical Transportation (**NEMT**) reimbursement **rates for personal travel and for volunteer drivers** will change. This bulletin was simultaneously issued for public comment and the comment period has passed.
- **MSA 12-28** informs **Hospitals, Physicians, Local Health Departments and FQHCs** that the Children's Special Health Care Services (**CSHCS**) program reimburses for **Telemedicine** services.
- **MSA 12-29** notifies **Practitioners, Clinics, Hospitals, Medicaid Health Plans and Others** of Healthcare Common Procedure Coding System (**HCPCS**) **Code updates**.
- A proposed policy (**1223-TPL**) has been issued to remind Providers that **all identifiable resources must be utilized before Medicaid is billed**, and that this **includes Long-Term Care insurance**. The public comment period for this proposed policy has now passed.
- A proposed policy (**1224-SBS**) has been issued that would

remove program specialists from the **School Based Services** Administrative Outreach Program **staff pool lists** submitted to the **Random Moment Time Study** Contractor. The public comment period for this proposed policy has now passed.

- A proposed policy (**1228-GME**) has been issued to outline modifications in **Graduate Medical Education Pool** amounts. The public comment period for this proposed policy has now passed.
- A proposed policy (**1222-DME**) has been issued that would change **standards of coverage for selected mobility and positioning devices**. Comments are due to DCH by August 6, 2012.
- A proposed policy (**1227-Enrollment**) has been issued that would implement **mandatory enrollment of licensed Physician Assistants and Nurse Practitioners** who render, order or bill for covered services for Medicaid beneficiaries. Comments are due to DCH by August 16, 2012.
- A proposed policy (**1214-NCCI**) has been issued that would change **claim adjudication rules** to reject claim lines where the **Medically Unlikely Edit** has been exceeded. This change is part of the federal **National Correct Coding Initiative**. Comments are due to DCH by August 21, 2012.
- A proposed policy (**1226-CSHCS**) has been issued that would transition most Medicaid beneficiaries also participating in **CSHCS** from an excluded population to a mandatory population for **Medicaid Health Plan enrollment**. Comments are due to DCH by August 23, 2012.
- A proposed policy (**1231-Vision**) has been issued that would **reinstate Vision services for adult Medicaid beneficiaries**. Comments are due to DCH by August 23, 2012.
- A proposed policy (**1233-Dental**) has been issued that would **expand the Healthy Kids Dental Program into additional counties**. Comments are due to DCH by August 23, 2012.
- A proposed policy (**1225-UC**) has been issued that would **allow Urgent Care Centers to enroll, bill and be reimbursed** for services rendered to Medicaid beneficiaries. Comments are due to DCH by August 25, 2012.
- A proposed policy (**1234-Enrollment**) has been issued that would require **primary care physician providers to update their enrollment status** by electing a single primary specialty area of practice. This update is **needed to identify providers entitled to increased reimbursement for primary care services**. Comments are due to DCH by August 25, 2012.
- A proposed policy (**1235-OB**) has been issued that would identify **obstetrical services for which an increase in reimbursement rate has been proposed**, as required in the DCH budget for Fiscal Year 2012-2013. Comments are due

to DCH by August 25, 2012.

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